

ANNUAL REPORT

Of

Company Name: Verde Santa Fe Wastewater Company, Inc.
7581 E. Academy Blvd., Ste. 229

Mailing Address: Denver CO
80230

Docket No.: SW-03437A
For the Year Ended: 12/31/16

RECEIVED
APR 10 2017
ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

WASTEWATER UTILITY

To

Arizona Corporation Commission

Due on April 15th

Email: rdelafuente@azcc.gov, mail or deliver the completed Annual Report to:
Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Application Type: Original Filing
Application Date: 2016

411-17

ARIZONA CORPORATION COMMISSION
WASTEWATER UTILITY ANNUAL REPORT
Verde Santa Fe Wastewater Company, Inc.
A Class Utility

1. For the Calendar Year Ended: 12/31/16

2. Address:

7581 E Academy Blvd; Suite 229					
City:	Denver	State:	Colorado	Zip Code:	80230

3. Telephone Number: 720.949.1384

4. Date of Original Organization of Utility: 8/12/1997

5. Person to whom correspondence should be addressed concerning this report:

Name: Jason Williamson
Telephone No. : 720.949.1384
Address: 7581 E Academy Blvd; Suite 229
City: Denver State: Colorado Zip Code: 80230
Email: jw@pivotalcompanies.com

6. On-Site Manager:

Name: Wendy Gort
Telephone No. : 520.362.6772
Address: PO Box 1898
City: Oracle State: Arizona Zip Code: 85623
Email: wgort@theriver.com

7. Ownership: "C" Corporation

8. Counties Served: Yavapai

Utility Plant in Service (Wastewater)				
Account No.	Description	Original Cost	Accumulated Depreciation	OC LD (OC less AD)
351	Organization	\$30,909	\$30,136	\$773
352	Franchises			0
353	Land and Land Rights	45,400	0	45,400
354	Structures and Improvements	118,541	40,374	78,166
355	Power Generation Equipment			0
360	Collections Wastewater - Force			0
361	Collections Wastewater - Gravity	328,735	174,230	154,506
362	Special Collecting Structures			0
363	Services to Customers	73,179	38,785	34,394
364	Flow Measuring Devices	12,958	12,958	0
365	Flow Measuring Installations			0
367	Reuse Meters & Meter Installations			0
370	Receiving Wells			0
371	Pumping Equipment			0
374	Reuse Distribution Reservoirs			0
375	Reuse Trans. And Distr. Equipment			0
380	Treatment and Disposal Equipment	1,087,513	649,259	438,255
381	Plant Sewers			0
382	Outfall Sewer Lines			0
389	Other Plant and Misc. Equipment			0
390	Office Furniture and Equipment	5,803	5,186	617
390.1	Computer & Software			0
391	Transportation Equipment			0
393	Tools, Shop and Garage Equipment	4,676	3,562	1,114
394	Laboratory Equipment	5,424	1,440	3,984
395	Power Operated Equipment			0
396	Communication Equipment			0
397	Miscellaneous Equipment			0
398	Other Tangible Plant	88,055	42,298	45,757
	Totals	\$1,801,194	\$998,229	\$802,965

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Depreciation Expense for the Current Year (Wastewater)
 12/31/16

Depreciation Expense for the Current Year (Wastewater)								
Account No.	Description	Original Cost	Current Year Additions	Adjusted Original Cost	Fully Depreciated/Non-depreciable Plant	Depreciable Plant	Depreciation Percentages	Depreciation Expense
351	Organization	\$30,909		\$30,909		\$30,909	5.00%	\$1,545
352	Franchises	0		0		0		0
353	Land and Land Rights	45,400		45,400		45,400	0.00%	0
354	Structures and Improvements	118,541		118,541		118,541	3.19%	3,776
355	Power Generation Equipment	0		0		0		0
360	Collections Wastewater - Force	0		0		0		0
361	Collections Wastewater - Gravity	328,735		328,735		328,735	2.00%	6,575
362	Special Collecting Structures	0		0		0		0
363	Services to Customers	73,179		73,179		73,179	2.00%	1,464
364	Flow Measuring Devices	12,958		12,958		12,958	0.39%	50
365	Flow Measuring Installations	0		0		0		0
367	Reuse Meters & Meter Installations	0		0		0		0
370	Receiving Wells	0		0		0		0
371	Pumping Equipment	0		0		0		0
374	Reuse Distribution Reservoirs	0		0		0		0
375	Reuse Trans. And Distr. Equipment	0		0		0		0
380	Treatment and Disposal Equipment	1,087,513		1,087,513		1,087,513	6.45%	70,155
381	Plant Sewers	0		0		0		0
382	Outfall Sewer Lines	0		0		0		0
389	Other Plant and Misc. Equipment	0		0		0		0
390	Office Furniture and Equipment	5,803		5,803		5,803	6.67%	387
390.1	Computer & Software	0		0		0		0
391	Transportation Equipment	0		0		0		0
393	Tools, Shop and Garage Equipment	4,676		4,676		4,676	5.00%	234
394	Laboratory Equipment	5,424		5,424		5,424	10.00%	542
395	Power Operated Equipment	0		0		0		0
396	Communication Equipment	0		0		0		0
397	Miscellaneous Equipment	0		0		0		0
398	Other Tangible Plant	88,055		88,055		88,055	4.95%	4,358
	Subtotal	\$1,801,194	\$0	\$1,801,194	\$0	\$1,801,194		\$89,086

Contribution(s) in Aid of Construction (Gross)	\$978,305
Less: Non Amortizable Contribution(s)	0
Fully Amortized Contribution(s)	0
Amortizable Contribution(s)	\$978,305
Times: Proposed Amortization Rate	4.84%
Amortization of CIAC	\$47,334

Less: Amortization of CIAC 47334.14403

DEPRECIATION EXPENSE \$41,752

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Balance Sheet Assets
 12/31/16

Balance Sheet Assets				
	Assets		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current and Accrued Assets			
131	Cash		\$21,329	\$24,124
132	Special Deposits			
135	Temporary Cash Investments			
141	Customer Accounts Receivable		17,485	5,394
142	Other Accounts Receivable			
143	Accumulated Provision for Uncollectable Accounts			
146	Notes Receivable from Associated Companies		300	30,300
151	Plant Material and Supplies			
162	Prepayments			
173	Accrued Utility Revenue			
174	Miscellaneous Current and Accrued Assets		25	25
	Total Current and Accrued Assets		\$39,140	\$59,843
	Deferred Debits			
186.1	Deferred Rate Case Expense			
	Total Deferred Debits		\$0	\$0
	Fixed Assets			
101	Utility Plant in Service*		\$1,778,502	\$1,801,194
103	Property Held for Future Use			
105	Construction Work in Progress			
108	Accumulated Depreciation (enter as negative)*		(909,142)	(998,229)
121	Non-Utility Property			
122	Accumulated Depreciation - Non Utility			
	Total Fixed Assets		\$869,359	\$802,965
	Total Assets		\$908,499	\$862,808

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note these items feed automatically from the adjusted end of year balance from AR4.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Balance Sheet Liabilities and Owners Equity

Balance Sheet Liabilities and Owners Equity				
	Liabilities		Balance at Beginning of Year (2016)	Balance at End of Year (2016)
Account No.	Current Liabilities			
231	Accounts Payable		\$17,093	\$21,600
232	Notes Payable (Current Portion)			
234	Notes Payable to Associated Companies			
235	Customer Deposits		13,721	14,433
236	Accrued Taxes			
237	Accrued Interest			
241	Miscellaneous Current and Accrued Liabilities			(395)
253	Other Deferred Credits			
	Total Current Liabilities		\$30,815	\$35,638
	Long Term Debt			
224	Long Term Debt (Notes and Bonds)		\$128,166	\$118,138
	Total Long Term Debt		\$128,166	\$118,138
	Deferred Credits			
252	Advances in Aid of Construction			
255	Accumulated Deferred Investment Tax Credits			
271	Contributions in Aid of Construction		978,305	978,305
272	Less: Amortization of Contributions		(577,812)	(625,146)
281	Accumulated Deferred Income Tax			
	Total Deferred Credits		\$400,493	\$353,159
	Total Liabilities		\$559,474	\$506,935
	Capital Accounts			
201	Common Stock Issued		\$203,658	\$203,658
211	Other Paid-In Capital			
215	Retained Earnings		145,367	152,216
218	Proprietary Capital (Sole Props and Partnerships)			
	Total Capital		\$349,025	\$355,874
	Total Liabilities and Capital		\$908,499	\$862,809

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Note: Total liabilities and Capital must match total assets for the beginning and end of the year!

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Wastewater Comparative Income Statement
12/31/16

Wastewater Comparative Income Statement			
Account No.	Calendar Year	Current Year 01/01/2016 - 12/31/2016	Last Year 01/01/2015 - 12/31/2015
	Operating Revenue		
521	Flat Rate Revenues	\$513,983	\$466,426
522	Measured Revenues	7,379	6,862
534	Rents from Wastewater Property		
539	Other Wastewater Revenues	10,536	9,189
	Total Revenues	\$531,898	\$482,477
	Operating Expenses		
701	Salaries and Wages	\$87,628	\$69,000
704	Employee Pensions and Benefits		
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	14,827	5,584
715	Purchased Power	41,574	40,342
716	Fuel for Power Production		
718	Chemicals	10,817	13,029
720	Materials and Supplies	14,022	9,327
721	Office Expense		
731	Contractual Services -Engineering	0	500
732	Contractual Services - A ccounting	1,400	1,275
733	Contractual Services - Legal	0	47
734	Contractual Services - Management Fees	165,577	191,222
735	Contractual Services - Testing	11,137	7,964
736	Contractual Services - Other	4,267	13,062
740	Rents - Building		
742	Rents - Equipment		
750	Transportation Expenses	10,687	10,213
757	Insurance - General Liability	4,911	8,757
758	Insurance - Worker's Compensation		
759	Insurance - Other		
760	Advertising Expense		
766	Regulatory Commission Expense - Rate Case	0	10,052
767	Regulatory Commission Expense - Other	2,190	2,070
770	Bad Debt Expense	17,127	(12,597)
775	Miscellaneous Expense	39,849	15,853
403	Depreciation Expense (From Schedule A R4)	41,752	38,062
408	Taxes Other Than Income		
408.11	Property Taxes	27,198	28,649
408.12	Payroll Taxes	0	6,915
409	Income Taxes	2,871	50
	Total Operating Expenses	\$497,834	\$459,374
	Operating Income / (Loss)	\$34,065	\$23,103
	Other Income / (Expense)		
414	Gain (Loss) on Dispositions		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility (Expense)	(816)	(396)
427	Interest (Expense)	(6,401)	(5,702)
	Total Other Income / (Expense)	(\$7,217)	(\$6,098)
	Net Income / (Loss)	\$26,848	\$17,005

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Supplemental Financial Data (Long-Term Debt)				
	Loan #1	Loan #2	Loan #3	Loan #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amt. Issued				
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principal				

Meter Deposit Balance at Test Year End:

Meter Deposits Refunded During the Test Year:

List all bonds, notes, loans, and other types of indebtedness in which the proceeds were used in the provision of public utility service. Indebtedness incurred for personal uses by the owner of the utility should not be listed. Input 0 or none if there is nothing to report for that cell.

Wastewater Utility Plant Description

Name of System:	Verde Santa Fe Wastewater Company, Inc.
Wastewater Inventory Number (if applicable):	105607
Type of Treatment	Other
Design Capacity of Plant (Gallons per day)	123,800

LIFT STATION FACILITIES				
Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
4400 W Hogan Road	2	2	60	1,000
Wastewater Plant Site (in	2	15	620	1,814
Wastewater Plant Site (ef	2	26	356	4,681
Amante Sewer Lift Statio	2	17	65	2,500

FORCE MAINS		
Size	Material	Length (Feet)
2-inch	PVC	6,690
4-inch	PVC	1,722
6-inch	PVC	5,447

MANHOLES	
Type	Quantity
Standard	154
Drop	

CLEANOUTS
Quantity
31

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevent information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Wastewater Utility Plant Description (Continued)					
COLLECTION MAINS			SERVICES/LATERALS		
Sizes (inches)	Material	Length (feet)	Size (inches)	Material	Quantity
3	PVC	2,265	2	PVC	353
4	PVC	3,651	4	PVC	607
6	PVC	22,954	6	PVC	4
10			12		
12			15		
15					
18					
21					
24					
30					

For the following five items, list the utility owned assets in each category for each system.

SOLIDS PROCESSING AND HANDLING FACILITIES	Inlet comminutor, grit chamber and bar screen; sludge digester/settling tank and Dirmad 3-bag sludge barring unit
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Liquid chlorine feed system
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Forced air carbon filtration system in sludge bagging room
STRUCTURES (Buildings, Fences, Etc.)	Block fence around site, and landscaped berm; large operations building and equipment building
Other (Laboratory Equipment, Tools, Vehicles, Standby, Power Generators, Etc.)	Standby diesel power generator, confined space safety equipment and all necessary laboratory and process control equipment

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report. Copy and paste this sheet as many times as is necessary.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Wastewater Flows
 12/31/16

Wastewater Flows			
Month	Number of Services	Total Monthly Sewage Flow	Sewage Flow on Peak Day
January	990	2,911,796	128,409
February	990	2,472,972	114,822
March	979	2,925,294	111,215
April	993	2,776,425	138,427
May	988	2,696,594	108,188
June	975	2,513,620	98,541
July	986	2,719,377	117,149
August	982	2,685,335	141,121
September	981	2,509,952	153,450
October	974	2,630,000	126,382
November	976	2,585,228	129,558
December	996	2,841,000	124,174
	Totals	32,267,593	1,491,436

Provide the following information as applicable per wastewater system:

Method of Effluent Disposal	Other
Groundwater Permit Number	N/A
ADEQ Aquifer Protection Permit ("APP") Number	P103173
ADEQ Reuse Permit Number	R105815-held by golf course
EPA NPDES Permil Number	N/A
APP Effluent Treatment Requirement (Class)?	

Note: If you are filing for more than one system, please provide separate sheets for each system.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
 Annual Report
 Utility Shutoffs / Disconnects
 12/31/16

Name of System:	Verde Santa Fe Wastewater Company, Inc.
Wastewater Inventory Number (if applicable):	105607

Utility Shutoffs / Disconnects			
Month	Termination without Notice R14-2-609.B	Termination with Notice R14-2-609.C	Other
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	0	0	0

Other (description):

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Property Taxes

Amount of actual property taxes paid during Calendar Year 2015 was

\$27,195

If no property taxes paid, explain why.

Grey cell for explanation of no property taxes paid.

Instructions: Fill out the Grey Cells with the relevant information. Input 0 or none if there is nothing recorded in that account or there is no applicable information to report.

Verde Santa Fe Wastewater Company, Inc.
Annual Report
Verification and Statement (Taxes)
12/31/16

RECEIVED

APR 10 2017

ARIZONA CORP COMMISSION
UTILITIES DIVISION - DIRECTOR'S OFFICE

Verification and Statement (Taxes)

Verification: State of Colorado I, the undersigned of the
(state name)

County of (county name): Denver
Name (owner or official) title: Jason Williamson
Company name: Verde Santa Fe

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION.

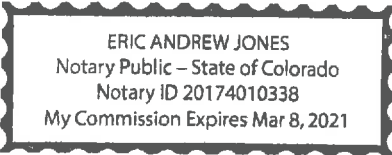
FOR THE YEAR ENDING: 12/31/16

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

Sworn Statement: I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

[Signature]
signature of owner/official
720-948-1384
telephone no.



SUBSCRIBED AND SWORN TO BEFORE ME A NOTARY PUBLIC
IN AND FOR THE COUNTY

THIS 6th DAY OF Denver
April 2017
(county name)
(month) and (year)

MY COMMISSION EXPIRES 3/8/2021
(date)

[Signature]
(signature of notary public)

